

Tax Planning and Corporate Value: The Role of Firm Size as a Moderation Variable in Energy Companies

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Abstract

This study aims to analyze the influence of tax planning on the value of companies with firm size as a moderation variable in energy sector companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2024 period. This research is motivated by fluctuations in the value of companies in the energy sector and the inconsistency of previous research results regarding the relationship between tax planning and company value. The research uses a quantitative approach with secondary data obtained from financial statements and annual reports. The research sample consisted of 24 energy sector companies selected using purposive sampling techniques, so that data was obtained from 120 observations. Data analysis was carried out using panel data regression with Moderated Regression Analysis (MRA). The company's value is proxied by Price to Book Value (PBV), tax planning is measured using the Effective Tax Rate (ETR), and firm size is measured by the natural logarithm of total assets. The results of the study show that tax planning has a positive effect on the value of the company. However, firm size has not been proven to be able to moderate the influence of tax planning on company value. These findings suggest that while tax planning can increase a company's value, company size does not significantly strengthen or weaken the relationship in the corporate context of the energy sector.

Keywords: Tax Planning, Company Value, Firm Size, Moderation, Energy Sector Companies

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Introduction

Company value is the main goal of the company because it reflects the market's perception of the company's prospects and ability to create prosperity for shareholders. The higher the value of the company, the higher the investor confidence in the company's future prospects. In the capital market, the value of a company is generally proxied using Price to Book Value (PBV) or Tobin's Q, which shows how the market values the assets owned by the company (Brigham & Ehrhardt, 2022).

In energy sector companies listed on the Indonesia Stock Exchange (IDX), the company's value is a very important indicator considering that this sector has capital-intensive characteristics, relatively high levels of leverage, and is greatly influenced by fluctuations in world energy commodity prices, government policies, and the transition to sustainable energy. Changes in global economic conditions during the 2020–2024 period cause considerable volatility in the performance of energy sector companies, resulting in changes in company value.

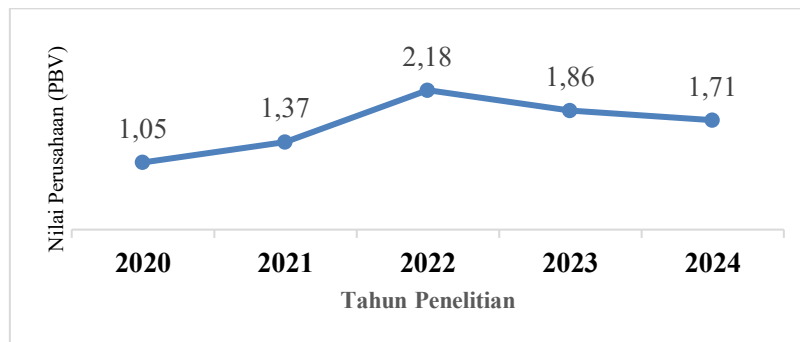


Figure 1. Development of the Average Corporate Value (PBV) of IDX Energy Companies in 2020–2024

Source : (Data Processed, 2026)

Based on Figure 1 above, it shows that the value of energy sector companies has increased significantly in 2022 in line with soaring world coal and oil prices due to post-pandemic economic recovery and global geopolitical conflicts. However, in 2023–2024, the company's value will begin to decline as commodity prices normalize and global economic uncertainty increases. This condition shows that the value of companies in the energy sector is still fluctuating, so a company strategy that is able to maintain investor confidence in a sustainable manner is needed.

One of the strategies that companies can do is through tax planning. Tax planning is a part of tax management that aims to minimize the tax burden legally by utilizing applicable tax provisions so that profit after tax can be optimized (Hanlon & Heitzman, 2010). Tax efficiency provides greater room for companies to increase cash flow, increase retained earnings, and expand investments so that it has the potential to increase the value of the company.

The relationship between tax planning and corporate value can be explained through Agency Theory put forward by Michael C. Jensen and William H. Meckling (1976). This theory explains that there is a conflict of interest between shareholders as principal and management as agents. Management has an incentive to do tax planning to increase profit after tax so that it can improve the company's performance. However, tax planning that is too aggressive has the potential to incur agency costs in the form of the risk of tax sanctions, decreased transparency, and increased management opportunism which ultimately reduces the value of the company.

In addition to Agency Theory, this research is also based on Signaling Theory introduced by Michael Spence (1973). Signal theory explains that the information a company conveys to investors will influence investment decisions. Tax planning that is carried out efficiently and in accordance with tax provisions can be a positive signal that the company is able to manage resources optimally so as to increase investor confidence. On the other hand, tax planning that

is too aggressive can be perceived as a negative signal because it increases the risk of litigation and the company's reputation.

Thus, tax planning should be carried out wisely and efficiently, not only oriented towards tax savings, but also considering aspects of compliance, transparency, and sustainability of the company, so that it can make an optimal contribution to increasing the company's value.

However, the effectiveness of tax planning in increasing the value of the company is suspected to be not the same in every company. One of the factors that is suspected of strengthening or weakening the relationship is the size of the firm. The size of the company describes the size of the company's resources, total assets, and operational capacity. Large companies generally have better internal control systems, more competent human resources, access to more qualified tax consultants, and the ability to manage tax risks more effectively than smaller companies. Therefore, tax planning carried out by large companies tends to be more trusted by investors so that it can have a greater impact on increasing the company's value (Dang et al., 2018).

On the other hand, in small companies, tax planning is often perceived by investors as an effort to increase short-term profits without the support of adequate governance so that the benefits to increase the company's value are relatively lower. Thus, firm size is suspected to play a role as a moderation variable that affects the strength of the relationship between tax planning and company value.

The results of research on the influence of tax planning on company value still show inconsistencies. Efficient tax planning has been proven to increase the value of a company through increasing cash flow after tax (Hanlon & Heitzman, 2010; Graham et al., 2014). On the other hand, aggressive tax planning practices can actually increase agency costs so that it has the potential to reduce the value of the company (Desai & Dharmapala, 2006). Other research also shows that tax planning does not have a significant effect on the company's value because it is influenced by the quality of corporate governance, transparency, and company characteristics.

The inconsistency of the results of the study shows that there is a research gap that is still open. Most of the previous research was conducted on manufacturing companies, banks, and all corporate sectors in aggregate, while research that specifically tested Indonesian energy sector companies post-pandemic was still relatively limited. In addition, previous studies have used firm size more as a control variable than as a moderation variable. In fact, the characteristics of energy companies that require large investments, high asset levels, and greater complexity of tax management allow the size of the company to strengthen or weaken the influence of tax planning on the company's value.

Based on the phenomenon of fluctuations in the value of energy sector companies during the 2020–2024 period and the inconsistency of previous research results, this study aims to analyze the influence of tax planning on the value of companies with firm size as a moderation variable in energy sector companies listed on the Indonesia Stock Exchange for the 2020–2024 period. This research is expected to contribute to the development of literature in the field of financial accounting and taxation, especially regarding the tax planning mechanism in increasing the value of companies in the energy sector, as well as an input for company management, investors, and regulators in formulating effective and sustainable tax strategies.

Literature Review

Agency Theory

Agency Theory proposed by Jensen and Meckling (1976) explains the existence of a contractual relationship between shareholders (principal) and management (agent) which has the potential to cause conflicts of interest due to differences in objectives and the existence of information asymmetry. In the context of this research, tax planning is one of the strategic decisions taken by management to optimize the tax burden legally in order to increase after-tax profits and shareholder welfare.

However, aggressive tax planning has the potential to increase agency costs, such as increased risk of tax sanctions, decreased transparency, and opportunities for opportunistic management behavior, which can ultimately reduce the value of the company (Desai & Dharmapala, 2009; Hanlon & Heitzman, 2010).

On the other hand, companies with a larger firm size generally have better supervisory systems, organizational structures, and corporate governance, so that the implementation of tax planning tends to be more controlled and effective in increasing the value of the company (Rego, 2003; Zimmerman, 1983; Watts & Zimmerman, 1986).

Signaling Theory

The Signaling Theory introduced by Spence (1973) explains that companies convey signals to investors through published information, which is then used as a basis for investment decision-making. In this context, tax planning carried out efficiently can be a positive signal about the company's ability to manage resources and increase after-tax profits, thereby increasing investor confidence in the company's prospects (Ross, 1977; Connelly et al., 2011).

On the other hand, aggressive tax planning can be perceived as a negative signal because it increases the uncertainty and risks faced by the company, which can ultimately lower investor confidence. In addition, in companies with a larger firm size, the signals conveyed tend to be more credible because they are supported by a higher level of information disclosure and a better governance system, making it easier for investors to trust.

Company Values

Company value is an investor's perception of the company's ability to create shareholder welfare as reflected in the stock price in the market (Brigham & Ehrhardt, 2022). This study uses Price to Book Value (PBV) as a proxy for company value because it is able to show how the market appreciates the company's book value and is commonly used in public companies. PBV is measured by comparing the stock price with the book value per share, where the book value per share is obtained from the total equity divided by the number of outstanding shares. A higher PBV indicates that the market is giving a higher valuation to a company than its book value, thus reflecting a better value of the company.

Tax Planning and Corporate Value

Tax planning is a company's effort to legally minimize tax burden in order to increase after-tax profits and cash flows, thereby potentially increasing the company's value (Hanlon & Heitzman, 2010). Based on Agency Theory, tax efficiency can improve the welfare of shareholders, while Signaling Theory explains that efficient tax planning is a positive signal for investors. Previous research has also shown that tax planning has a positive effect on company value (Hanlon & Heitzman, 2010; Chen et al., 2014).

In this study, tax planning was measured using the Effective Tax Rate (ETR), which is a comparison between tax burden and profit before tax. ETRs were chosen because they reflect tax efficiency and are commonly used in empirical research; the lower the ETR indicates the higher the level of tax planning (Gupta & Newberry, 1997). Based on this description, the following hypothesis is formulated:

H1: Tax planning has a positive effect on the company's value.

Firm Size as a Moderation Variable

Firm size is a measure of the size of the company which in this study is proxied using the natural logarithm of total assets (Ln Total Assets) (Dang et al., 2018). The use of logarithms aims to reduce the skewness of the data and improve normality, while total assets are chosen because they reflect the company's overall resources and are relatively more stable than other indicators (Becker et al., 2010).

Larger companies generally have better supervisory and governance systems so that the implementation of tax planning becomes more effective. Based on Agency Theory, stronger monitoring mechanisms in large companies can suppress agency conflicts (Jensen & Meckling, 1976). Meanwhile, Signaling Theory explains that large companies have higher information credibility so that tax planning carried out provides a stronger positive signal for investors (Spence, 1973; Ross, 1977). Based on this description, the following hypothesis is formulated: H2: firm size strengthens the influence of tax planning on the value of the company.

Research Methods

This study uses a quantitative approach to examine the influence of tax planning on the value of companies with firm size as a moderation variable. The data used is secondary data obtained from the annual report and audited financial statements.

The research population consists of all energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period as many as 87 companies. Based on the sampling technique using purposive sampling, 24 companies were obtained as a research sample with a total of 120 company-year observations.

This study uses company value as a dependent variable proxied with Price to Book Value (PBV). PBV was chosen because it is able to reflect investors' perception of the company's value through a comparison between the stock market price and the book value per share and is widely used in research on public companies in Indonesia (Brigham & Ehrhardt, 2022). The independent variable is tax planning which is proxied using the Effective Tax Rate (ETR). ETR is used because it can describe the level of effectiveness of a company in managing tax burdens, where a lower ETR value indicates higher tax planning practices (Hanlon & Heitzman, 2010). Furthermore, firm size acts as a moderation variable that is proxied using the natural logarithm of total assets (Ln Total Assets), which reflects the amount of resources and operational capacity of the company (Dang et al., 2018). The measurement of the research variables is presented in Table 1 below.

Table 1. Variable Operational Definition

Variable	Proxies	Scale
Company Value (Y)	Price to Book Value (PBV) = Share Price per Sheet / Book Value per Share	Ratio
Tax Planning (X)	Effective Tax Rate (ETR) = Income Tax Expense / Profit Before Tax	Ratio
Firm Size (Z)	Firm Size = Ln (Total Assets)	Ratio

Source : (Data Processed, 2026)

Data analysis was performed using panel data regression with the help of EViews 10 software. The selection of the best model is done through the Chow Test, Hausman Test, and Lagrange Multiplier Test. Next, classical assumption testing was carried out which included normality, multicollinearity, autocorrelation, and heteroscedasticity tests. Hypothesis testing was carried out through partial tests (t-test), simultaneous tests (F-test), and determination coefficients (R²). To test the role of firm size moderation, this study uses Moderated Regression Analysis (MRA) with the following equation model:

$$Y_{it} = \alpha + \beta_1 X_{it} + \beta_3 \text{Seat} + \beta_4 X_{it} * \text{Seat} + \mu_{it}$$

Description:

- i = 1, 2, 3, n (cross section (company))
- t = 1, 2, 3, n (Times Series (year))
- α = the interception coefficient which is a scalar
- β = 1, 2, 3, n (regression coefficient)
- Y = bound variable (Company Values)
- X = independent variable (Tax Planning)
- Z = moderation variable (firm size)
- μ = Error Term

The model was used to test the direct influence of tax planning on company value, as well as to test whether firm size was able to moderate the relationship between these variables.

Research Results

Descriptive Statistical Analysis

To provide an initial overview of the characteristics of the research data, a descriptive statistical analysis was carried out on all the variables used, namely the company value (Y), tax planning (X), firm size (Z), and the interaction variable between tax planning and firm size (X_Z). The results of descriptive statistical analysis are presented in Table 2. The results of descriptive statistical analysis are presented in Table 2 below.

Table 2. Descriptive Statistical Analysis

	Y	X	Z	X_Z
Red	1.291849	20.54756	14.40765	287.6231
Median	0.840000	22.49000	14.31000	326.1800
Maximum	6.500000	147.1500	17.63000	2122.990
Minimum	0.200000	-918.7000	11.84000	-13670.49
Std. Dev.	1.232346	91.07524	1.386427	1346.210
Skewness	2.232514	-9.278483	0.303709	-9.441655
Kurtosis	7.954091	96.75587	2.602117	98.83958
Jarque-Bera	220.5442	45292.01	2.614365	47311.44
Probability	0.000000	0.000000	0.270581	0.000000
Sum	153.7300	2445.160	1714.510	34227.15
Sum Sq. Dev.	179.2038	978774.5	226.8173	2.14E+08
Observations	120	120	120	120

Source : EViews 10 output, data processed (2026)

Based on Table 2, all research variables have 120 observations. The company's value variable (Y) has an average value of 1.291849 with a standard deviation of 1.232346. This shows that the level of variation in company value data is moderate. The maximum value of 6.500000 and the minimum of 0.200000 indicate that there is a fairly wide difference in company value between samples.

The variable tax planning (X) has an average value of 20.54756 with a standard deviation of 91.07524. The standard deviation that is much larger than the average value shows that tax planning data has a very high spread rate. This is also supported by a maximum value of 147.1500 and a minimum of -918.7000, which indicates an outlier or extreme value in the data. The firm size variable (Z) has an average value of 14.40765 with a standard deviation of 1.386427. This shows that the size of the company is relatively stable with smaller data variations compared to other variables. The maximum value range of 17.63000 and the minimum of 11.84000 indicate that the size of the companies in the sample does not vary too much in the extreme.

The interaction variable (X_Z) had an average value of 287.6231 with a standard deviation of 1346.210, indicating a very high degree of variation. The maximum value of 2122.990 and the minimum of -13670.49 indicate the existence of a wide spread of data and the possibility of extreme values.

Model Specification Test

Chow Test

After descriptive statistical analysis is carried out, the next stage is to determine the most suitable panel data regression model to be used in the research. The model selection was carried out through the Chow Test to compare the Common Effect Model (CEM) with the Fixed Effect Model (FEM). The results of the Chow Test are presented in Table 3.

Table 3. Chow Test Results (Common Effect Model and Fixed Effect Model)

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	Statistic	D.F.	Prob.
Cross-section F	13.220851	(23,93)	0.0000
	174.18446		
Cross-section Chi-square	4	23	0.0000

Source : EViews 10 output, data processed (2026)

Based on the results of the Chow Test in Table 3, a probability value of Cross-section F of 0.0000 was obtained, which is smaller than the significance level of 0.05. In addition, the probability value of the Cross-section Chi-square is also 0.0000 (< 0.05), so that the Fixed Effect Model (FEM) model is more appropriate than the Common Effect Model (CEM).

Hausman Test

After obtaining results that the Fixed Effect Model (REM) is better than the Common Effect Model (CEM) based on the Chow Test, the Hausman Test is then carried out to determine the best model between the Fixed Effect Model (FEM) and the Random Effect Model (REM). The results of the Hausman Test are presented in Table 4.

Table 4. Hausman Test Results

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. D.F.	Prob.
Cross-section random	24.616216	3	0.0000

Source : EViews 10 output, data processed (2026)

Based on the results of the Hausman Test in Table 4, a probability value of 0.0000 was obtained, which is smaller than the significance level of 0.05, so the more appropriate model to use is the Fixed Effect Model (FEM) than the Random Effect Model (REM).

Classic Assumption Test

After obtaining the best model through a series of panel data model selection tests, namely the Fixed Effect Model (FEM), the next stage is to consider classical assumption testing.

In this study, the classical assumption test was not carried out specifically because the panel data regression model used was the Fixed Effect Model (FEM), which has generally been able to accommodate differences in characteristics between individuals (cross-section) through a fixed-effect approach. In addition, in the practice of panel data analysis, classical assumption testing is not always a major requirement, especially when the model has been selected based on model specification tests such as the Chow Test and the Hausman Test.

However, the model estimation is still carried out by taking into account the accuracy of the model specifications so that the results obtained are unbiased and consistent. Therefore, this study immediately continued at the hypothesis testing stage using the Fixed Effect Model (FEM) model which has been selected as the best model.

Panel Data Regression Analysis

After the best model is determined, namely the Fixed Effect Model (FEM), then a regression analysis of panel data is carried out to test the influence of tax planning (X), firm size (Z), and the interaction between tax planning and firm size (X_Z) on the company's value (Y). The results of the panel data regression analysis are presented in Table 5.

Table 5. Results of Random Effect Model Data Regression Analysis

Dependent Variable: Y					
Method: Panel Least Squares					
Date: 07/11/26 Time: 17:45					
Sample: 2020 2024					
Periods included: 5					
Cross-sections included: 24					
Total panel (balanced) observations: 120					
Variable	Coefficient	t	Std. Error	t-Statistic	Prob.
C	-17.15465	2.797883		-6.131297	0.0000
X	1.276421	0.193846		6.584699	0.0000
Z	0.006865	0.026201		0.262028	0.7939
X_Z	-0.000386	0.001769		-0.218414	0.8276
Effects Specification					
Cross-section fixed (dummy variables)					
R-squared	0.770934	Mean dependent var			1.255333
Adjusted R-squared	0.706894	S.D. dependent var			1.213315
S.E. of regression	0.656880	Akaike info criterion			2.192476
Sum squared resid	40.12865	Schwarz criterion			2.819661
Log likelihood	-104.5486	Hannan-Quinn crister.			2.447179
F-statistic	12.03835	Durbin-Watson stat			1.276894
Prob(F-statistic)	0.000000				

Source : EViews 10 output, data processed (2026)

Based on the results of the panel data regression analysis in Table 5, the following regression equations were obtained:

$$Y = -17.15465 + 1.276421X + 0.006865Z - 0.000386(X_Z) + e$$

The regression results showed that the tax planning variable (X) had a positive coefficient of 1.276421, which indicated that increasing tax planning tended to increase the company's value. The firm size (Z) variable has a positive coefficient of 0.006865, but with a relatively small value. Meanwhile, the interaction variable between tax planning and firm size (X_Z) has a negative coefficient of -0.000386, which shows that firm size weakens the influence of tax planning on company value.

Based on the probability value (Prob.), the tax planning variable (X) has a significant effect on the company's value because it has a significance value of 0.0000 (< 0.05). In contrast, the firm size (Z) and interaction variables (X_Z) had no significant effect on the company's value, with probability values of 0.7939 and 0.8276 (> 0.05 , respectively).

The R-squared value of 0.770934 shows that 77.09% of the variation in company value can be explained by the variables of tax planning, firm size, and the interaction of the two in the model, while the remaining 22.91% is explained by other variables outside the model. In addition, the Prob(F-statistic) value of 0.000000 (< 0.05) shows that the regression model is simultaneously significant in explaining the influence of independent variables on dependent variables.

Significance Test

Simultaneous Significance Test (F Test)

The F test is used to find out whether all independent variables simultaneously affect the company's value. Based on Table 5, the Prob value (F-statistic) is 0.000000, which is smaller than 0.05. Thus, it can be concluded that tax planning (X), firm size (Z), and interaction variables (X_Z) simultaneously have a significant effect on the company's value.

Partial Significance Test (t-test)

The t-test is carried out to determine the influence of each independent variable on the company's value partially. Based on Table 5, the tax planning variable (X) has a probability value of 0.0000 (less than 0.05) so that it has a significant effect on the company's value.

The firm size variable (Z) has a probability value of 0.7939 (greater than 0.05) so it does not have a significant effect on the company's value.

Meanwhile, the interaction variable between tax planning and firm size (X_Z) had a probability value of 0.8276 (greater than 0.05), which indicates that firm size is not able to moderate the effect of tax planning on company value.

Coefficient of Determination Test (R^2)

The determination coefficient is used to measure the ability of independent variables to explain the variation of dependent variables. Based on Table 5, the Adjusted R-squared value of 0.706894 or 70.69% was obtained. This shows that the variation in company value can be explained by the variables of tax planning, firm size, and interaction variables of 70.69%, while the remaining 29.31% is explained by other variables outside the research model.

Moderated Regression Analysis (MRA)

The results of MRA testing are presented in Table 5. Based on the results of the analysis, the interaction between tax planning and firm size (X_Z) has a probability value of 0.8276, which is greater than 0.05. This shows that firm size is not able to moderate the influence of tax planning on the value of the company.

In addition, the firm size (Z) variable also does not have a significant effect on the company's value. Thus, firm size in this study cannot be categorized as a moderation variable, either as a pure moderator or a quasi-moderator (Erlina, Atmanegara, & Nasution, 2023).

Overall, the results showed that only the tax planning variable had a significant influence on the company's value, while firm size did not play a role as a moderation variable in the relationship.

Results and Discussion

The Influence of Tax Planning on Company Value

The results of the study show that tax planning has a positive effect on the company's value, so that H_1 is accepted. This finding indicates that the better the implementation of tax planning carried out by the company, the higher the company's value. Tax planning is a strategy carried out by companies to minimize tax burdens legally by utilizing applicable tax provisions. With a decrease in tax burden, companies will earn higher after-tax profits. The increase in profit will have an impact on improving the company's financial performance, which in turn increases investors' positive perception of the company. This condition is ultimately reflected in the increase in the stock price which is a proxy for the company's value.

In addition, tax planning that is carried out efficiently also reflects the management's ability to manage the company's resources optimally. Investors tend to give a higher assessment to companies that are able to perform efficiency, including in the tax aspect, because it shows the existence of professional management and is oriented towards improving the welfare of shareholders.

From the perspective of Agency Theory, the relationship between the manager (agent) and the principal encourages the manager to make decisions that can improve the welfare of shareholders, including through tax planning strategies. Effective tax planning can reduce agency conflicts because it is able to increase the profits available to shareholders.

Meanwhile, from the perspective of Signaling Theory, tax planning can be a positive signal for investors regarding management's ability to manage tax expenses efficiently. Companies that are able to do tax planning well will be perceived to have better prospects, thereby increasing investor interest and having an impact on increasing the company's value.

The results of this study are in line with the findings of Ilyas (2026) and Anggara (2025), and are supported by previous research showing that tax planning efficiency is able to increase after-tax profits, strengthen investor confidence, and ultimately increase company value, especially in companies with good governance (Chen et al., 2014; Desai & Dharmapala, 2009; Hanlon & Heitzman, 2010).

The Role of Firm Size in Moderating the Influence of Tax Planning on Company Value

The results of the study show that firm size is not able to moderate the influence of tax planning on the value of the company, so H_2 is rejected. These findings indicate that company size neither strengthens nor weakens the relationship between tax planning and company value. Although conceptually large companies have better resources, more complex systems, and tax planning capacity, in the context of this study these factors did not sufficiently influence the relationships tested (Dang et al., 2018).

This condition can be explained by the fact that investors, especially in the energy sector, tend to focus more on fundamental performance such as profitability and business prospects rather than company size. Thus, both large and small companies are still assessed based on the effectiveness of the strategies implemented, including tax planning. From the perspective of Agency Theory, the potential for agency conflicts remains at all sizes of companies, so the effectiveness of tax planning is more determined by the quality of governance and management policies (Jensen & Meckling, 1976; Desai & Dharmapala, 2006).

Meanwhile, in the perspective of Signaling Theory, information related to tax planning is not always influenced by the size of the company, but by the quality and credibility of the information conveyed to investors (Spence, 1973; Connelly et al., 2011). Therefore, firm size is not a determining factor in strengthening the relationship.

These findings do not support research that firm size is able to strengthen the influence of tax planning on company value, but is in line with Putra & Dewi (2025) and Lanis & Richardson (2011) who show that firm size does not have a significant moderation role in the relationship.

Conclusion

Based on the results of the analysis and discussion of the effect of tax planning on the value of companies with firm size as a moderation variable in energy sector companies listed on the Indonesia Stock Exchange for the 2020-2024 period, it can be concluded that tax planning has a positive effect on the company's value, which means that the more effective the company is in carrying out tax planning, the higher the company's value because the increase in profit after tax is able to provide a positive signal and increase investor confidence. However, firm size is not able to moderate this influence, so the size of the company does not strengthen or weaken the relationship between tax planning and company value, because investors tend to consider the performance and effectiveness of the company's strategy more than the size of the company itself.

Theoretical Implications

This research contributes to the development of accounting science, especially in the field of taxation and corporate finance. The results of the research support Agency Theory, where

tax planning is proven to be able to increase the value of the company so that it reflects that management (agent) can improve the welfare of shareholders (principal) through tax efficiency. In addition, these findings also strengthen the Signaling Theory, because effective tax planning provides a positive signal to investors regarding management's ability to manage tax burdens efficiently, thereby increasing market perception of the company. On the other hand, the insignificance of firm size as a moderation variable shows that company size is not the main factor in determining the effectiveness of tax planning on company value, thus enriching the literature and opening up opportunities for future research to test other moderation variables.

Practical Implications

The results of this research are expected to provide benefits to various parties. For company management, these findings are the basis for optimizing tax planning legally and efficiently to increase after-tax profits and company value, while still paying attention to reputational risks. For investors, tax planning can be used as one of the indicators in assessing the performance and prospects of companies, especially in the energy sector. Meanwhile, for the government and regulators, the results of this research can be an input in formulating tax policies that are able to balance between optimizing state revenue and providing space for companies to legally carry out tax efficiency.

Suggestions

Based on the results of the research, some suggestions that can be given are as follows. For future researchers, it is recommended to add other variables such as good corporate governance (GCG), profitability, or leverage as moderation or mediation variables, use a longer research period to make the results more generalizable, and expand the research object to other sectors as a comparison. For companies, it is expected to increase financial reporting transparency and maintain a balance between tax efficiency and compliance with tax regulations. Meanwhile, for investors, it is advisable not only to consider the size of the company, but also pay attention to the quality of financial policies, including the tax planning strategies implemented.

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